

SERFF Tracking Number: PRLF-128095185 State: Arkansas
 Filing Company: Principal Life Insurance Company State Tracking Number:
 Company Tracking Number:
 TOI: H11G Group Health - Disability Income Sub-TOI: H11G.003 Long Term
 Product Name: Group Long Term Disability - Def of Monthly Earnings
 Project Name/Number: Monthly Earnings Defintion revised for Owners/

Filing at a Glance

Company: Principal Life Insurance Company
 Product Name: Group Long Term Disability - Def of Monthly Earnings
 TOI: H11G Group Health - Disability Income
 Sub-TOI: H11G.003 Long Term
 Filing Type: Form

SERFF Tr Num: PRLF-128095185 State: Arkansas
 SERFF Status: Closed-Approved-Closed
 Co Tr Num:
 Authors: Mark Curtis, Dorthy Mcgrean, Brenda Mcleran, Ann McCoy, Colletta Maddy
 Date Submitted: 02/23/2012

State Tr Num:
 State Status: Approved-Closed
 Reviewer(s): Rosalind Minor
 Disposition Date: 02/29/2012
 Disposition Status: Approved-Closed
 Implementation Date:

Implementation Date Requested: 07/01/2012
 State Filing Description:

General Information

Project Name: Monthly Earnings Defintion revised for Owners
 Project Number:
 Requested Filing Mode: Review & Approval
 Explanation for Combination/Other:
 Submission Type: New Submission
 Group Market Type: Employer, Trust
 Filing Status Changed: 02/29/2012
 State Status Changed: 02/29/2012
 Created By: Mark Curtis
 Corresponding Filing Tracking Number:
 Filing Description:
 RE Group Accident & Health Forms
 Group Long Term Disability Insurance

Status of Filing in Domicile: Authorized
 Date Approved in Domicile: 02/15/2012
 Domicile Status Comments:
 Market Type: Group
 Group Market Size: Small and Large
 Overall Rate Impact:

Deemer Date:
 Submitted By: Mark Curtis

Policy Amendment GC 804 (MO EARN)
 Booklet-Certificate Rider GH 163 (MO EARN)
 Principal Life Insurance Company NAIC No. 61271-332

SERFF Tracking Number: PRLF-128095185 State: Arkansas
Filing Company: Principal Life Insurance Company State Tracking Number:
Company Tracking Number:
TOI: H11G Group Health - Disability Income Sub-TOI: H11G.003 Long Term
Product Name: Group Long Term Disability - Def of Monthly Earnings
Project Name/Number: Monthly Earnings Definition revised for Owners/
FEIN # 42-0127290

Enclosed for your review and approval are copies of the Policy Amendment and Booklet-Certificate Rider listed above. These are new forms and are not replacing any forms previously approved. These forms are being submitted on a general use basis to revise the definition of Monthly Earnings. All changes are shown in red italics. This filing has been filed and approved in our domicile state of Iowa on February 15, 2012.

Principal Life Insurance Company's current definition of Monthly Earnings contains language dedicated to Members with a direct ownership interest in the business. This definition was designed to cover all of a business owner's income, which frequently includes profits from the business in addition to the owner's salary. This method most accurately reflects the true Monthly Earnings of business owners.

However, based on the current structure of Principal Life's definition, businesses losses are included in the calculation. In the event that the businesses losses exceed the owner's salary, the owner will only qualify for the minimum benefit payable in the event of a qualifying disability. While this historically has not been a frequent occurrence, the economic downturn has resulted in more businesses struggling to earn a profit. This has in turn resulted in an increase in business owner claims where the businesses losses exceed the owner's salary, resulting in the minimum benefit payable.

It is Principal Life's intent to resolve the above stated issue with the revised contract language in this rider. As illustrated in the revised language, Principal Life will now begin capping the owner's share of business expenses at an amount that is no higher than the owner's share of business revenue for the same time period. This revision will result in the owner receiving a benefit based on no less than his/her salary, which is a more equitable approach to calculating benefits payable.

We are requesting a proposed effective date of July 1, 2012, (or as soon as approval is received, if on or before July 1, 2012).

If approved, the Policy Amendment and Booklet-Certificate Rider will be used with the following previously approved forms:

- Policy Form Series GC 3000 et al and the corresponding Booklet-Certificate Form Series GH 800 et al, approved by your department on September 5, 2008 (SERFF Filing # PRLF-125684922, State Tracking #40121).

The Policy Amendment and Booklet-Certificate Rider will be used as presented for approval or the Monthly Earnings Definition text may be incorporated into the Group Policy and Booklet-Certificate of the Policyholder.

We have included Statements of Variability to assist in your review of these forms.

SERFF Tracking Number: PRLF-128095185 State: Arkansas
Filing Company: Principal Life Insurance Company State Tracking Number:
Company Tracking Number:
TOI: H11G Group Health - Disability Income Sub-TOI: H11G.003 Long Term
Product Name: Group Long Term Disability - Def of Monthly Earnings
Project Name/Number: Monthly Earnings Defintion revised for Owners/

Rates will not be impacted by this filing.

Thank you for your consideration of this submission. If you have any questions on any of the attached materials, please feel free to contact me by fax, e-mail or at the toll-free number shown below.

Sincerely,

Mark Curtis, State/Federal Compliance Analyst
Group Life and Health Compliance
Principal Life Insurance Company
Des Moines, Iowa 50392-0002
Phone: 1-800-986-3343 ext. 76788
Fax: 515-246-4906
e-mail: curtis.mark@Principal.com

Company and Contact

Filing Contact Information

Mark Curtis, State/Federal Compliance Analyst Curtis.Mark@principal.com
711 High Street 800-986-3343 [Phone] 76788 [Ext]
K-005-E81 515-246-2491 [FAX]
Des Moines, IA 50392-0002

Filing Company Information

Principal Life Insurance Company	CoCode: 61271	State of Domicile: Iowa
711 High Street	Group Code: 332	Company Type: Life & Health
Des Moines, IA 50392-0002	Group Name:	State ID Number:
(800) 986-3343 ext. [Phone]	FEIN Number: 42-0127290	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	\$50 for each filing of amendment/riders.
Per Company:	No

SERFF Tracking Number: *PRLF-128095185* *State:* *Arkansas*
Filing Company: *Principal Life Insurance Company* *State Tracking Number:*
Company Tracking Number:
TOI: *H11G Group Health - Disability Income* *Sub-TOI:* *H11G.003 Long Term*
Product Name: *Group Long Term Disability - Def of Monthly Earnings*
Project Name/Number: *Monthly Earnings Defintion revised for Owners/*

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Principal Life Insurance Company	\$50.00	02/23/2012	56599816
Principal Life Insurance Company	\$50.00	02/24/2012	56619127

SERFF Tracking Number: PRLF-128095185 State: Arkansas

Filing Company: Principal Life Insurance Company State Tracking Number:

Company Tracking Number:

TOI: H11G Group Health - Disability Income Sub-TOI: H11G.003 Long Term

Product Name: Group Long Term Disability - Def of Monthly Earnings

Project Name/Number: Monthly Earnings Defintion revised for Owners/

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	02/29/2012	02/29/2012

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Rosalind Minor	02/24/2012	02/24/2012	Mark Curtis	02/24/2012	02/24/2012

SERFF Tracking Number: *PRLF-128095185* *State:* *Arkansas*
Filing Company: *Principal Life Insurance Company* *State Tracking Number:*
Company Tracking Number:
TOI: *H11G Group Health - Disability Income* *Sub-TOI:* *H11G.003 Long Term*
Product Name: *Group Long Term Disability - Def of Monthly Earnings*
Project Name/Number: *Monthly Earnings Defintion revised for Owners/*

Disposition

Disposition Date: 02/29/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: PRLF-128095185 State: Arkansas

Filing Company: Principal Life Insurance Company State Tracking Number:

Company Tracking Number:

TOI: H11G Group Health - Disability Income Sub-TOI: H11G.003 Long Term

Product Name: Group Long Term Disability - Def of Monthly Earnings

Project Name/Number: Monthly Earnings Defintion revised for Owners/

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Statement of Variability - GC 804 (MO EARN)	Approved-Closed	Yes
Supporting Document	Statement of Variability - GH 163 (MO EARN)	Approved-Closed	Yes
Form	Policy Amendment	Approved-Closed	Yes
Form	Booklet-Certificate Rider	Approved-Closed	Yes

SERFF Tracking Number: PRLF-128095185 State: Arkansas
Filing Company: Principal Life Insurance Company State Tracking Number:
Company Tracking Number:
TOI: H11G Group Health - Disability Income Sub-TOI: H11G.003 Long Term
Product Name: Group Long Term Disability - Def of Monthly Earnings
Project Name/Number: Monthly Earnings Defintion revised for Owners/

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 02/24/2012

Submitted Date 02/24/2012

Respond By Date

Dear Mark Curtis,

This will acknowledge receipt of the captioned filing.

Objection 1

- Policy Amendment, GC 804 (MO EARN) (Form)
- Booklet-Certificate Rider, GH 163 (MO EARN) (Form)

Comment:

Our filing fees under Rule and Regulation 57 have been updated. Please review the General Instructions for ArkansasLH or Rule and Regulation 57.

The fee for this submission is \$50.00 per form for a total of \$100.00. Please submit an additional \$50.00 for this submission.

We will begin our review of this submission upon receipt of the additional filing fee.

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

SERFF Tracking Number: PRLF-128095185 State: Arkansas
Filing Company: Principal Life Insurance Company State Tracking Number:
Company Tracking Number:
TOI: H11G Group Health - Disability Income Sub-TOI: H11G.003 Long Term
Product Name: Group Long Term Disability - Def of Monthly Earnings
Project Name/Number: Monthly Earnings Defintion revised for Owners/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 02/24/2012
Submitted Date 02/24/2012

Dear Rosalind Minor,

Comments:

Response 1

Comments: An additional \$50 filing fee has been included.

Related Objection 1

Applies To:

- Policy Amendment, GC 804 (MO EARN) (Form)
- Booklet-Certificate Rider, GH 163 (MO EARN) (Form)

Comment:

Our filing fees under Rule and Regulation 57 have been updated. Please review the General Instructions for ArkansasLH or Rule and Regulation 57.

The fee for this submission is \$50.00 per form for a total of \$100.00. Please submit an additional \$50.00 for this submission.

We will begin our review of this submission upon receipt of the additional filing fee.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

SERFF Tracking Number: *PRLF-128095185* *State:* *Arkansas*
Filing Company: *Principal Life Insurance Company* *State Tracking Number:*
Company Tracking Number:
TOI: *H11G Group Health - Disability Income* *Sub-TOI:* *H11G.003 Long Term*
Product Name: *Group Long Term Disability - Def of Monthly Earnings*
Project Name/Number: *Monthly Earnings Defintion revised for Owners/*
Ann McCoy, Brenda Mcleran, Colletta Maddy, Dorthy Mcgrean, Mark Curtis

SERFF Tracking Number: PRLF-128095185 State: Arkansas

Filing Company: Principal Life Insurance Company State Tracking Number:

Company Tracking Number:

TOI: H11G Group Health - Disability Income Sub-TOI: H11G.003 Long Term

Product Name: Group Long Term Disability - Def of Monthly Earnings

Project Name/Number: Monthly Earnings Defintion revised for Owners/

Form Schedule

Lead Form Number: GC 804 (MO EARN)

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed 02/29/2012	GC 804 (MO EARN)	Policy/Cont ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Policy Amendment	Initial		43.700	GC 804 (MO EARN).pdf
Approved-Closed 02/29/2012	GH 163 (MO EARN)	Certificate Amendmen t, Insert Page, Endorseme nt or Rider	Booklet-Certificate Rider	Initial		43.800	GH 163 (MO EARN).pdf

**DEFINITION OF MONTHLY EARNINGS
AMENDMENT TO BE ATTACHED TO AND MADE A PART OF
PRINCIPAL LIFE INSURANCE COMPANY GROUP POLICY NO. GLT [99999]
ISSUED TO**

[JOHN DOE COMPANY]

The above Group Long Term Disability Policy is hereby amended, effective as of [July 1, 2012] as follows:

Insurance under the above Group Long Term Disability Policy to which this Amendment is attached is hereby amended with respect to and to the extent provided below.

Definitions

Policy Form GC 3004 PART I, Definitions, definition of Monthly Earnings is revised as follows:

Monthly Earnings

[21D] [For Members with a direct ownership interest in the business entity of the [Policyholder] [and] [Participating Unit], such as, but not limited to, an owner of a sole proprietorship, a partner in a partnership, a shareholder of a corporation or subchapter S-corporation, or a member of a limited liability company or limited liability partnership, Monthly Earnings on any date are based on an average of the following earnings as reported for Federal Income Tax purposes for the last [one][two][three] calendar year(s), assuming the owner meets all eligibility requirements:

- a. The Member's share (based on ownership or contractual agreement) of the gross revenue or income earned by the [Policyholder][and][Participating Unit], including income earned by the Member and others under the Member's supervision or direction; less
- b. The Member's share of expenses (based on ownership or contractual agreement) that is deductible for Federal Income Tax purposes, and does not exceed the expenses before Disability began *[to the extent that the Member's share of letter b. does not exceed the Member's share of letter a.]*; plus
- c. The salary, benefits, and other forms of compensation which are payable to the Member, and any contributions to a pension or profit sharing plan made on the Member's behalf by the [Policyholder][and][Participating Unit].

With respect to a Member with an ownership interest of less than [one][two][three] calendar year(s), The Principal will use the amounts of a., b., and c. as described above during the completed months of direct ownership divided by the number of such completed months of direct ownership.

Monthly Earnings do not include any form of unearned income such as dividends, rent, interest, capital gains, income received from any form of deferred compensation, retirement, pension plan, income from royalties, or disability benefits.]

POLICY AMENDMENT

All other benefits and provisions of the Group Policy remain in effect.

This Amendment will become effective as a written agreement between The Principal and the Policyholder on the first premium due date following the effective date shown above for which premium due under this Group Policy is received by The Principal.

PRINCIPAL LIFE INSURANCE COMPANY
711 High Street
Des Moines, Iowa 50392-0002

<div data-bbox="186 600 219 791" style="display: inline-block; vertical-align: middle;">[</div> <div data-bbox="258 655 670 724" style="display: inline-block; vertical-align: middle;"></div> <div data-bbox="326 720 574 777" style="display: inline-block; vertical-align: middle;"><p>Senior Vice President and Corporate Secretary</p></div>	<div data-bbox="941 634 1226 724" style="display: inline-block; vertical-align: middle;"></div> <div data-bbox="974 720 1198 774" style="display: inline-block; vertical-align: middle;"><p>President and Chief Executive Officer</p></div> <div data-bbox="1291 600 1323 791" style="display: inline-block; vertical-align: middle;">]</div>
--	---

POLICY AMENDMENT

DEFINITION OF MONTHLY EARNINGS BOOKLET-CERTIFICATE RIDER

Effective as of [July 1, 2012], the Group Long Term Disability Booklet-Certificate to which this Rider is attached is hereby amended with respect to and to the extent provided below.

Definitions

Group Long Term Disability Booklet-Certificate form GH 824 Definitions, definition of Monthly Earnings is revised to read as follows:

Monthly Earnings

[21D] [For Members with a direct ownership interest in the business entity of the [Policyholder][Employer], such as, but not limited to, an owner of a sole proprietorship, a partner in a partnership, a shareholder of a corporation or subchapter S-corporation, or a member of a limited liability company or limited liability partnership, Monthly Earnings on any date are based on an average of the following earnings as reported for Federal Income Tax purposes for the last [one][two][three] calendar year(s), assuming the owner meets all eligibility requirements:

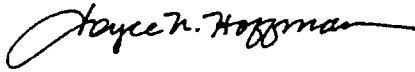
- a. Your share (based on ownership or contractual agreement) of the gross revenue or income earned by the [Policyholder] [Employer], including income earned by you and others under your supervision or direction; less
- b. Your share of expenses (based on ownership or contractual agreement) that is deductible for Federal Income Tax purposes, and does not exceed the expenses before Disability began *[to the extent that your share of letter b. does not exceed your share of letter a.]*; plus
- c. The salary, benefits, and other forms of compensation which are payable to you, and any contributions to a pension or profit sharing plan made on your behalf by the [Policyholder] [Employer].

With respect to a Member with an ownership interest of less than [one][two][three] calendar year(s), We will use the amounts of a., b., and c. as described above during the completed months of direct ownership divided by the number of such completed months of direct ownership.

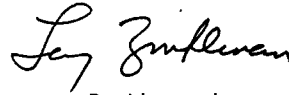
Monthly Earnings do not include any form of unearned income such as dividends, rent, interest, capital gains, income received from any form of deferred compensation, retirement, pension plan, income from royalties, or disability benefits.]

All other benefits and provisions of the Booklet-Certificate remain in effect.

PRINCIPAL LIFE INSURANCE COMPANY
711 High Street
Des Moines, Iowa 50392-0002

A handwritten signature in black ink, reading "Joyce N. Haggman".

Senior Vice President and
Corporate Secretary

A handwritten signature in black ink, reading "Jay Zimbleman".

President and
Chief Executive Officer

SERFF Tracking Number: PRLF-128095185 State: Arkansas
 Filing Company: Principal Life Insurance Company State Tracking Number:
 Company Tracking Number:
 TOI: H11G Group Health - Disability Income Sub-TOI: H11G.003 Long Term
 Product Name: Group Long Term Disability - Def of Monthly Earnings
 Project Name/Number: Monthly Earnings Definition revised for Owners/

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Flesch Certification	Approved-Closed	02/29/2012
Comments: See attached Readability Certification.		
Attachment: Readability Cert.pdf		

	Item Status:	Status Date:
Satisfied - Item: Application	Approved-Closed	02/29/2012
Comments: Employer application form GP45697-08 was approved by the department on September 1, 2010.		

	Item Status:	Status Date:
Satisfied - Item: Statement of Variability - GC 804 (MO EARN)	Approved-Closed	02/29/2012
Comments: See attached Statement of Variability for Policy Amendment form GC 804 (MO EARN).		
Attachment: Statement of Variability GC 804 (MO EARN).pdf		

	Item Status:	Status Date:
Satisfied - Item: Statement of Variability - GH 163 (MO EARN)	Approved-Closed	02/29/2012
Comments: See attached Statement of Variability for Policy Amendment form GC 804 (MO EARN).		
Attachment: Statement of Variability GH 163 (MO EARN).pdf		

**STATE OF ARKANSAS
INSURANCE DEPARTMENT**

CERTIFICATION OF READABILITY

I, Kimberly Douglas, an Officer of Principal Life Insurance Company hereby certify that the attached form(s) has (have) achieved a Flesch Reading Ease Score of:

Form No.	Form Name	Flesch Score
GC 804 (MO EARN)	Policy Amendment	43.7
GH 163 (MO EARN)	Booklet-Certificate Rider	43.8

and complies with the requirements of Ark. Stat. Ann. Sections 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

PRINCIPAL LIFE INSURANCE COMPANY



Kimberly Douglas, Director
Group Life and Health Compliance

February 23, 2012
Date

12/1999



STATEMENT OF VARIABILITY

Policy Amendment GC 804 (MO EARN) Dated February 23, 2012

[21D] This definition is used in all plans that cover business owners. ["[Participating Unit]" will be used (where appropriate) in lieu of "[Policyholder]" when the policy is issued to a MET.] The remaining variables are based on Policyholder requirements.

STATEMENT OF VARIABILITY

Booklet-Certificate Rider GH 163 (MO EARN) Dated February 23, 2012

[21D] This definition is used in all plans that cover business owners. ["[Employer]" will be used (where appropriate) in lieu of "[Policyholder]" when the policy is issued to a MET.] The variables regarding the number of calendar year(s) of ownership interest are based on Policyholder requirements.